



House Bill 1199 – Real Property – County Rental Property Licenses – Requirements and Limits

Position: Oppose

Maryland REALTORS® oppose HB 1199 which requires a license for each single-family residential unit and caps single-family dwelling units to 15% of a county's total number of single-family dwelling units.

Maryland REALTORS® do not support a cap on the percentage of single-family rental properties. Although many people will immediately picture a multi-family apartment building when thinking about rental property, there are more single-family rentals nationally than there are multi-unit rentals. When considering that over 30 percent of Marylanders rent, a 15% cap on single-family rental properties could be severe.

Many counties have already enacted rental licensing programs. Some have also regulated short-term rentals. Because single-family rentals are particularly important in rural areas, the REALTORS® believe each county should be able to determine what limits and restrictions make sense for their residents. Capping single-family rentals in Baltimore County at 15% may have a very different impact than a cap of 15% in Washington or Caroline Counties.

Finally, during the downturn in the economy, many new single-family rentals entered the market and helped meet the demand of families who could no longer stay in their homes. If a cap on single-family rentals existed during the real estate downturn over a decade ago, families would have been hurt twice. First, some families would have been forced to sell their property and take a huge loss rather than rent the property. Secondly, many families now forced to rent and who preferred larger rental units would have had the supply artificially reduced.

For those reasons, the REALTORS® recommend an unfavorable report.

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